

NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION

FOR THE

IRON AND STEEL INDUSTRY

AS APPROVED ON MAY 30, 1934

BY

PRESIDENT ROOSEVELT



WE DO OUR PART



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Approved Code No. 11—Amendment No. 1

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

IRON AND STEEL INDUSTRY

As Approved on May 30, 1934

BY

PRESIDENT ROOSEVELT

EXECUTIVE ORDER

REVISED CODE OF FAIR COMPETITION OF THE IRON AND STEEL INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act approved June 16, 1933, for my approval of certain amendments to the Code of Fair Competition of the Iron and Steel Industry as approved on August 19, 1933, a copy of which amendments are hereto attached as Exhibit A, and the Administrator, having rendered his report showing that said amendments have been proposed, adopted and submitted for my approval, pursuant to the provisions of Section 1 of Article XII of said Code and having recommended that said application be granted;

NOW, THEREFORE, I, Franklin D. Roosevelt, President of the United States, pursuant to the authority vested in me by Title I of said Act, and otherwise, do adopt and approve the report, recommendations and findings of the Administrator and do hereby order that said amendments to said Code be, and they hereby are, approved and that said Code as amended by said amendments, a copy of which is hereto attached as Exhibit B, be and it hereby is approved, said revised Code incorporating said amendments to become effective on June 11, 1934, prior to which effective date the Code of Fair Competition approved August 19, 1933, shall continue in full force and effect.

In connection with the foregoing approval I desire to make two statements:

1. Conditions of economic emergency make necessary the retention in modified form of the multiple basing point system adopted in the original code and effective in the industry for many years. But revisions made in this Code, increasing substantially the number of basing points, and modifications in practice under the Code, while alleviating some of the inequities in the existing system, illustrate the

desirability of working toward the end of having prices quoted on the basis of areas of production and the eventual establishment of basing points coincident with all such areas, as well as the elimination of artificial transportation charges in price quotations. Therefore, I have directed the Federal Trade Commission and the National Recovery Administration to study further and jointly the operation of the basing point system and its effect on prices to consumers, and any effects of the existing system in either permitting or encouraging price fixing, or providing unfair competitive advantages for producers, or disadvantages for consumers not based on actual causes. I have requested that the results of this study be reported to me within six months, together with any recommendations for revisions of the Code, in accordance with the conclusions reached.

2. In order to insure the free exercise of the rights of employees under the provisions of Section 7 of this Act and of Article IV of this Code, I will undertake promptly to provide, as the occasion may demand, for the election by employees in each industrial unit of representatives of their own choosing for the purpose of collective bargaining and other mutual aid and protection, under the supervision of an appropriate governmental agency and in accordance with suitable rules and regulations.

FRANKLIN D. ROOSEVELT.

Approval recommended:

HUGH S. JOHNSON,
Administrator.

THE WHITE HOUSE,
May 30, 1934.

LETTER OF TRANSMITTAL

The PRESIDENT,
The White House.

SIR: The revisions of the Steel Code which have been agreed to by the Code Authority include (1) revisions resulting from the insistence of representations of N.R.A. that changes should be made to meet justifiable complaints and criticisms of the Code; and (2) revisions proposed by the Code Authority to improve the workability of the Code and the fair application of its requirements.

We will summarize the more important changes:

PRICE PROVISIONS

1. The previous power of the Code Authority to set aside an "unfair" price filing and to fix a "fair base price" is annulled by striking out Section 5 of Schedule E of the Code approved August 19, 1933. There is no minimum price or "cost recovery" provision now left in the Code.

2. The basing point system has been revised (Schedule F) by adding new basing points to take care of outstanding complaints (such as Worcester, Mass., Duluth, Minn., Corpus Christi, Tex., Stockton, Cal.). Criticisms of basing point prices are also met in part by providing for modification of transportation charges and price filing requirements, as hereafter shown.

3. All-rail transportation charges, which are included in delivered prices quoted under the Code, may be reduced when delivery is by other means (such as water or motor transportation) at rates approved by the Code Authority as "equitable and necessary in order that competitive opportunity to producers and consumers shall be maintained"—(Schedule E, Sec. 4), subject to review of such action by the Administrator. (Art. XI, Sec. 6.) By a further revision of the Code sales below a published base price or *delivered price* may be authorized by the Code Authority—also subject to review by the Administrator. Under these revised provisions various complaints of producers and consumers are already in process of adjustment.

4. The price filing provision has been revised to permit any producer to meet a lower price quoted by a competitor without waiting ten days (Schedule E, Section 2). Under the Code also any producer can quote as *his* price the lowest base price filed by any competitor at a basing point where he himself does not file. (Schedule E, Sec. 3.)

LABOR PROVISIONS

1. The 8 hour day is now established unconditionally for the entire industry by an amendment of Art. IV. The average 40 hour week and maximum 6 day week is retained.

2. Pieceworkers are guaranteed the minimum rates of pay for hourly workers by an amendment of Art. IV, Sec. 5.

3. Wage Districts have been added to provide minimum wages for areas of employment not previously included.

ADMINISTRATION

The Administrator is empowered (by a new provision) to suspend and disapprove any action by the Code Authority which constitutes in his opinion a modification of the Code or exemption of anyone from its provisions. (Art. XI, Sec. 6.)

UNFAIR PRACTICES

Three new definitions of unfair practice are added to Schedule H.

1. Orders cannot be sought by promising to file new prices subsequently—thereby engaging in secret price-cutting. (Clause M.)

2. Products not properly classified as "scrap" cannot be sold as "scrap." (Clause N.)

3. The use of coercion or coercive means to induce a producer to withdraw or to change his base price, is forbidden. (Clause O.)

CONTRACTUAL FREEDOM

1. A new provision in Schedule E, Sec. 8 permits making a contract calling for delivery beyond the end of the next calendar quarter year if products are required for an identified structure, railroad cars and locomotives, or a definite project of federal, state, county or municipal government. (The limitation against long term contracts is written to prevent speculation and the exception is made in public and private contracts which cannot be used for speculative buying.)

2. Under an amendment of Schedule E, Sec. 3, prices fixed in contracts to be fulfilled in the next succeeding quarter may be reduced if lower prices are subsequently filed—thus allowing producers to give their contractual customers the benefit of general declining prices or lower prices made by competitors.

SMALL ENTERPRISE REPRESENTATION

A revision of Article VI, Section 5 reduces the expense of the code for small producers by apportioning the total expense according to the invoiced value of delivered products during the preceding calendar year. Each member of the Code retains at least one vote regardless of the invoiced value of his products, but the code expense of small producers may be materially reduced.

TERMINATION CLAUSE

The termination clause (Article XII, Section 2) is revised to provided simply that the Code may be terminated at any time by action of the President, or by a vote of seventy-five percent of the members of the Code.

RESULTS OF THE EXPERIMENTAL PERIOD

The Code was originally approved for a trial period of 90 days. Upon the reports made to the President at the end of that period and the recommendation of the Administrator, the trial period was extended by the President to May 31, 1934, thus giving a total trial period to date of a little over nine months.

During this trial period the volume of complaints from producers in the industry, or users of its products has been very small when consideration is given to the magnitude of the industry. So far as members of the Code are concerned its operation and administration have given general satisfaction. Many complaints from users of code products have been adjusted by action of the Code Authority, exercising its discretionary powers under the Code. Provision is made in the revised Code for the adjustment of outstanding complaints, either in the revisions, or in action authorized under the Code. There have been a certain number of complaints which have not been adjusted and some which may be difficult of adjustment. But the major criticisms of the Code are not those of specific injury of individuals or individual enterprises, but largely theoretical criticisms of the price provisions of the Code, on the ground that they might operate in aid of monopolistic practices.

The economic issues involved in these criticisms are fundamental and far reaching. It is doubtful whether any well integrated industry can operate to protect the stability of its operations and to maintain, without violent fluctuation, employment and wage standards without being subjected to the criticism that any such effective self-government might bring about what might be wrongly called monopolistic practices. For example, the multiple basing point system is designed to maintain existing areas of production and channels of distribution and to prevent violent dislocations proceeding from such unrestrained competition as has resulted in the past all too frequently in increasing concentration of business in the hands of large producers, with violent fluctuations in prices and wages in a ruthless struggle to survive.

This industry is highly competitive and it is a fact that in recent years the smaller enterprises in the industry have steadily increased their proportionate production at the expense of the larger enterprises. This is not a monopolistic trend. On the other hand, consumers may claim that the integration of the industry and methods of fair competition adopted do not provide for the consumers the transient benefits of unrestrained cut throat competition. Representatives of the N.R.A. believe that it would be in the public interest to provide for the joint study of the operation of the basing point system by representatives of the N.R.A. and the Federal Trade Commission, in conjunction with representatives of the industry, for the purpose of determining to what extent and in what manner the practices of the industry, particularly in regard to the multiple basing point system, may be improved so as to preserve, for the benefit of all concerned, the stabilizing effect of the existing system and at the same time to insure full opportunity, through fair competition, to pass on to consumers the benefits of increasing productive efficiency, while continuing to improve labor and providing greater stability of employment.

The labor provisions of the Code have operated to produce great benefits for the wage earners, but have also given rise to conflicts concerning the right of labor organization and collective bargaining, which call imperatively for better assurances than are now provided, that employees may exercise the rights provided in Section 7 (a) of the National Industrial Recovery Act.

The rights of labor organization are clearly defined in the Act and in the Code, but the most serious complaints which have been received during the trial period have been the complaints that exercises of these rights has been restrained in violation of the law. It cannot be suggested, however, that labor would benefit in the present situation by a cancellation of the Code. Indeed the complaint is not against the provisions of the Code, but against disregard for these provisions.

LABOR BENEFITS UNDER THE CODE

The benefits derived by labor from this Code may be summarized in the following comparison of employment and earnings in June, 1933 and April, 1934:

	June 1933	April 1934	Change for April 1934 as compared with June 1933
Grand total all employees:			
Total number employees.....	333,146	431,086	Increase 92,940, or 27.4%.
Total wages and salaries.....	\$30,560,761	\$45,471,878	Increase \$14,911,117, or 48.7%.
Average hours per week.....	39.7	34.4	Decrease 5.3 hours, or 13.4%.
Average earnings per hour.....	53.0¢	71.4¢	Increase 18.4¢, or 34.7%.
Total hours worked.....	57,555,359	63,690,525	Increase 10.6%.
Wage earners (employees receiving hourly, tonnage, or piecework rates):			
Number of wage earners.....	305,329	392,089	Increase 86,830, or 28.4%.
Total wages.....	\$24,441,054	\$36,778,026	Increase \$12,336,972, or 50.4%.
Average hours per week.....	39.4	33.7	Decrease 5.7 hours, or 14.5%.
Average earnings per hour.....	47.3¢	64.8¢	Increase 17.5¢, or 37%.
Average earnings per week.....	\$18.64	\$21.84	Increase \$3.20, or 17%.
Total hours worked.....	51,645,321	56,723,813	Increase 9.8%.

By Comparing the foregoing figures with the year 1929 it appears that, in April 1934, although the industry was then operating at less than 75% of its 1929 operations, it was employing nearly as many employees as the average for the year 1929.

CONSUMERS INTERESTS UNDER THE CODE

A comparison of the first six months of 1933 with the last six months of 1933 shows that total income of 190 companies increased by approximately \$54,000,000 while the total payroll increase was approximately \$108,000,000. The consumers therefore bore only one-half on the burden of payroll increases.

SMALL ENTERPRISES UNDER THE CODE

Reports for 1933 show that 57 companies producing steel ingots (the large, integrated companies) increased payrolls \$100,000,000; increased income only \$44,000,000; and showed a net loss of nearly \$65,000,000; while 133 smaller, non-integrated companies increased payrolls \$8,000,000,000; increased income \$10,000,000 and showed a

net profit of over \$5,000,000. The larger companies in the aggregate lost $\frac{3}{4}$ of 1% on their reported investment and the smaller companies earned over $1\frac{3}{4}\%$ on their investment.

It is evident in the light of these figures that consumers were not being exploited and that small enterprises were not being oppressed under the Code. It is also clear beyond question that employment and wage payments have increased remarkably under the Code, and the standard of living of the average worker has been substantially improved.

CONCLUSION

It is our recommendation that a continuance of the Code, as revised in accordance with the amendments approved by the NRA and agreed to by the Code Authority, is desirable, with the distinct understanding that we believe the Code can be and should be subject to further revision and that the members of the industry should cooperate with the representatives of the government in bringing about full and unquestioned compliance with the requirements of the law and the Code which protect the rights of employees in self-organization and collective bargaining.

HUGH S. JOHNSON,
Administrator.

K. M. SIMPSON,
DONALD R. RICHBERG,

MAY 29, 1934.

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CODE OF FAIR COMPETITION OF THE IRON AND STEEL INDUSTRY

ARTICLE I—DEFINITIONS

Wherever used in this Code or in any schedule appertaining hereto the terms hereinafter in this Article and in Schedule E annexed hereto defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Article and in such Schedule E set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and *vice versa*.

SECTION 1. The term "the United States" means and includes all of the territory of the United States of America on the North American continent.

SECTION 2. The term "the President" means the President of the United States of America.

SECTION 3. The term "products" means the iron or steel products which are generally named in Schedule F annexed hereto as at the time in effect and standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, or any of such products.

SECTION 4. The term "the Industry" means and includes the business of producing in the United States and selling products, or any of them.

SECTION 5. The term "member of the Industry" means and includes any person, firm, association or corporation operating a plant or plants in the United States for the production of products, or any of them.

SECTION 6. The term "the Code" means and includes this Code and all schedules annexed hereto as originally approved by the President and all amendments hereof and thereof made as herein-after in Article XII provided.

SECTION 7. The term "member of the Code" means any member of the Industry who shall have become a member of the Code as hereinafter in Section 3 of Article III provided.

SECTION 8. The term "the Institute" means American Iron and Steel Institute, a New York membership corporation.

SECTION 9. The term "the Board of Directors" means the Board of Directors (as from time to time constituted) of the Institute.

SECTION 10. The term "the Secretary" means the secretary of the Institute at the time in office.

SECTION 11. The term "the Treasurer" means the treasurer of the Institute at the time in office.

SECTION 12. The term "unfair practice" means and includes any act described as an unfair practice in Schedule H annexed hereto.

SECTION 13. Wherever used in the Code with reference to the Industry or any member of the Industry or any member of the Code, unless the context shall otherwise clearly indicate,

- (a) the term "plant" means only a plant for the production of one or more products in the Industry;
- (b) the term "prices" includes only prices for products produced in the Industry;
- (c) the term "wages" includes only wages for labor performed in the Industry;
- (d) the term "labor" means only labor performed in the Industry;
- (e) the term "hours of labor" or "hours of work" includes only hours of labor or hours of work in the Industry; and
- (f) the term "employee" means only an employee in the Industry.

SECTION 14. The term "the National Industrial Recovery Act" means the National Industrial Recovery Act as approved by the President June 16, 1933.

SECTION 15. The term "the effective date of the Code" means the date on which the Code shall have been approved by the President pursuant to the National Industrial Recovery Act.

SECTION 16. The term "the Administrator" means the Administrator appointed by the President under the National Industrial Recovery Act and at the time in office.

SECTION 17. The term "the Administration" means the agency established pursuant to the provisions of Section 2 of the National Industrial Recovery Act.

ARTICLE II—PURPOSE OF THE CODE

SECTION 1. The Code is adopted pursuant to Title I of the National Industrial Recovery Act.

SECTION 2. The purpose of the Code is to effectuate the policy of Title I of the National Industrial Recovery Act in so far as it is applicable to the Industry.

ARTICLE III—MEMBERSHIP IN THE CODE

SECTION 1. It is of the essence of the Code that all members of the Industry which shall comply with the provisions of the Code shall be entitled to participate in its benefits upon the terms and conditions set forth in the Code.

SECTION 2. Any member of the Industry is eligible for membership in the Code.

SECTION 3. Any member of the Industry desiring to become a member of the Code may do so by signing and delivering to the Secretary a letter substantially in the form set forth in Schedule A annexed hereto.

SECTION 4. The rules and regulations in respect of meetings of members of the Code are set forth in Schedule B annexed hereto.

ARTICLE IV—HOURS OF LABOR, RATES OF PAY AND OTHER CONDITIONS OF EMPLOYMENT

SECTION 1. Pursuant to subsection (a) of Section 7 of the National Industrial Recovery Act and so long as the Code shall be in effect, the Code shall be subject to the following conditions:

(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection;

(2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and

(3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

SECTION 2. Since the beginning of the present depression and the consequent reduction in the total number of hours of work available in the Industry, its members have made every effort to distribute, and with a remarkable degree of success have distributed, the hours of work available in their plants so as to give employment to the maximum number of employees. It is the intention of the Industry to continue that policy in so far as practicable, to the end that the policy of Title I of the National Industrial Recovery Act may be effectuated, and that work in the Industry shall in so far as practicable be distributed so as to provide employment for the employees normally attached to the Industry. The basic processes in the Industry are of a continuous character and they cannot be changed in this respect without serious adverse effect upon production and employment. As demand for the products of the Industry and, therefore, for labor shall increase, hours of labor for employees in the Industry must necessarily increase; but, except in the case of executives, those employed in supervisory capacities and in technical work and their respective staffs and those employed in emergency work, in so far as practicable and so long as employees qualified for the work required shall be available in the respective localities where such work shall be required and having due regard for the varying demands of the consuming and processing industries for the respective products, none of the members of the Code shall cause or permit any employee to work at an average of more than 40 hours per week in any six months period or to work more than 48 hours or more than 6 days in any one week or more than 8 hours in any one day. For the purposes of this Section 2 the first six months period for each employee in the employ of any member of the Code at the effective date thereof shall begin with that date, and the first six months period for any employee thereafter employed by any member of the Code shall begin with the date of employment of such employee by such member. After the date of the employment by any member of the Code of any employee such member shall not knowingly permit such employee who also shall have performed work for one or more other employers to work for such member such number of hours as would result in a violation of the Code had all such work been performed for such member.

SECTION 3. None of the members of the Code shall employ in or about its plants in the Industry any person under 16 years of age.

SECTION 4. Throughout the history of the Industry geographical wage differentials have existed, due in the main to differences in living costs and general economic conditions and the ability adequately to man the industries in the respective localities. The establishments in the Industry in the different localities have been developed under such differences in wages and, after a survey of the matters bearing on such differences in the various sections of the United States, for the purposes of this Article IV the wage districts described in Schedule C annexed hereto have been established.

SECTION 5. Until changed by amendment of the Code as herein-after in Article XII provided, the minimum rates of pay per hour which shall be paid by members of the Code for common labor (not including that of apprentices and learners) in the Industry in the respective wage districts described in such Schedule C shall be the rates set forth in Schedule D annexed hereto. None of the members of the Code shall pay common laborers (not including apprentices and learners) in its employ in the Industry in any such district any rate of pay less than the rate specified for such district in such Schedule D, and any violation of this provision of the Code shall be deemed an unfair practice. Such rates of pay shall not, however, be understood to be the maximum rates of pay for their respective districts, but, until changed as aforesaid, none of the members of the Code shall be required to pay its common laborers in the Industry in any of such districts a rate of pay higher than the rate specified for such district in such Schedule D, except as such member shall have agreed to pay such higher rate in any agreement heretofore or hereafter made by such member with its employees. Until this provision shall have been changed by amendment as aforesaid, each member of the Code will pay to each of its employees in the Industry who on July 14, 1933, was receiving pay at a rate of pay per hour in excess of the rate of pay per hour then being paid by such member for common labor a rate of pay per hour which shall be at least 15% greater than that which such employee was then receiving; *provided, however,* that the foregoing provision shall not be so construed as to require any member of the Code to make any increase in the rate of pay per hour to be paid by such member to any of its employees in any wage district that will result in a rate of pay per hour which shall be higher than the rate of pay per hour paid to employees doing substantially the same class or kind of labor in the same wage district by any other member of the Code which shall have increased its rates of pay per hour in accordance with such provision. In the case of employees (not including apprentices and learners) performing work for which they are paid per piece of work performed, the minimum rate of pay which each member of the Code shall pay for such work shall be sufficient to produce the minimum rate of pay per hour provided in the Code for common labor at such plant.

ARTICLE V—PRODUCTION AND NEW CAPACITY

SECTION 1. It is the consensus of opinion in the Industry that it is not necessary, in order to effectuate the policy of Title I of the National Industrial Recovery Act, to make any specific provision in the Code for controlling or regulating the volume of production

in the Industry or for allocating production or sales among its members. It is believed that the elimination of unfair practices in the Industry will automatically eliminate any overproduction therein and any alleged inequities in the distribution of production and sales among its members. Adequate provision shall be made under the Code for the collection of statistics regarding production and of other data from which it may be determined from time to time whether overproduction in the Industry exists and whether in the circumstances any restriction of production is necessary in order to effectuate the policy of such Title I. The Board of Directors shall furnish to the Administrator summaries or compilations of such statistics and other data in reasonable detail. Should it at any time in the circumstances as they shall then exist appear to the Board of Directors that the policy of such Title I will not be effectuated in the Industry because of the fact that through the Code production therein is not controlled and regulated, then the Board of Directors is hereby empowered, subject to the approval of the President after such conference with or hearing of interested persons as he may prescribe, to make, modify or rescind such rules and regulations for the purpose of controlling and regulating production in the Industry, including the fixing of such liquidated damages for violations of such rules and regulations, as such Board shall deem to be necessary or proper in order to effectuate the policy of such Title I. All such rules and regulations from time to time so made and in effect shall be binding upon each member of the Code to which notice thereof shall have been given.

SECTION 2. It is also the consensus of opinion in the Industry that, until such time as the demand for its products cannot adequately be met by the fullest possible use of existing capacities for producing pig iron and steel ingots, such capacities should not be increased. Accordingly, unless and until the Code shall have been amended as hereinafter provided so as to permit it, none of the members of the Code shall initiate the construction of any new blast furnace or open hearth or Bessemer steel capacity. The President may, however, suspend the operation of the provisions of this Section.

ARTICLE VI—ADMINISTRATION OF THE CODE

SECTION 1. The administration of the Code shall be under the direction of the Board of Directors. The Board of Directors shall have all the powers and duties conferred upon it by the Code and generally all such other powers and duties as shall be necessary or proper to enable it fully to administer the Code and to effectuate its purpose.

SECTION 2. The Secretary shall act as Secretary under the Code. Under the direction of the Board of Directors, he shall keep all books (except books of account) and records under the Code and, except as such Board shall otherwise provide, shall collect, file and collate all statistics and other information required by the Board of Directors for the proper administration of the Code.

SECTION 3. The Treasurer shall act as Treasurer under the Code and, under the direction of the Board of Directors, he shall have

custody of, and have charge of the disposition of, all funds collected under the Code; and he shall keep proper books of account showing the collection and disposition thereof.

SECTION 4. The Board of Directors shall have power from time to time (a) to appoint and remove, and to fix the compensation of, all such other officers and employees and all such accountants, attorneys and experts, as said Board shall deem necessary or proper for the purpose of administering the Code and (b) to fix the compensation of the Secretary and the Treasurer for their services in acting under the Code.

SECTION 5. The expenses of administering the Code shall be borne by the members thereof. The Board of Directors may from time to time make such assessments on account of such expenses against the members of the Code as it shall deem proper and such assessments shall be payable as such Board shall specify. The part of such expenses which shall be assessed against each member of the Code shall bear the same relation to the total thereof as the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year shall bear to the aggregate amount in dollars of the invoiced value of the products delivered by all the members of the Code for consumption within the United States during such calendar year. Failure of any member of the Code to pay the amount of any assessment against such member for a period of thirty days after the date on which it became payable shall constitute a violation of the Code.

SECTION 6. The Board of Directors may from time to time appoint such committees as it shall deem necessary or proper in order to effectuate the purpose of the Code, and it may delegate to any such committee generally or in particular instances such of the powers and duties of the Board of Directors under the Code as such Board shall deem necessary or proper in order to effectuate such purpose. Any member of any such committee may be a member of the Board of Directors or an officer or a director of a member of the Code or a person not having any official connection with any member of the Code or with the Institute, as the Board of Directors shall deem proper.

SECTION 7. The members of the Code recognize that questions of public interest are or may be involved in its administration. Accordingly, representatives of the Administration consisting of the Administrator and one or two other persons appointed by him (who shall be persons not having or representing interests antagonistic to the interests of members of the Industry) shall be given full opportunity at such times as shall be reasonably convenient to discuss with the Board of Directors or any committees thereof any matters relating to the administration of the Code and to attend meetings of the Board at which action on any such matters shall be undertaken and to make recommendations as to methods or measures of administering the Code. Due notice of all such meetings of the Board of Directors shall be given to such representatives of the Administration. The records of the Board of Directors relating in any way to the administration of the Code shall be open to such representatives at all reasonable times. They shall be afforded by

the Board of Directors complete access at all times to all records, statistical material or other information furnished or readily available to the Board of Directors in connection with, or for the purposes of, the administration of the Code. The Board of Directors, acting directly or through one or more committees appointed by it, shall give due consideration to all requests, suggestions or recommendations made by such representatives of the Administration and render every possible assistance to such representatives in obtaining full information concerning the operation and administration of the Code, to the end that the President may be fully advised regarding such operation and administration through reports that may be made to him from time to time by such representatives, and to the end that the President may be assured that the Code and the administration thereof do not promote or permit monopolies or monopolistic practices, or eliminate or oppress small enterprises, or operate to discriminate against them and do provide adequate protection of consumers, competitors, employees and others concerned and that they are in furtherance of the public interest and operate to effectuate the purposes of Title I of the National Industrial Recovery Act.

ARTICLE VII—PRICES AND TERMS OF PAYMENT

None of the members of the Code shall make any sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms or conditions established by such member in accordance with the provisions of Schedule E annexed hereto and in effect at the time of such sale; nor, except as otherwise provided in such Schedule E, shall any member of the Code make any contract of sale of any product at a price or on terms and conditions more favorable to the purchaser thereof than the price, terms and conditions established as aforesaid and in effect at the time of the making of such contract of sale.

ARTICLE VIII—UNFAIR PRACTICES

For all purposes of the Code the acts described in Schedule H annexed hereto shall constitute unfair practices. Such unfair practices and all other practices which shall be declared to be unfair practices by the Board of Directors as provided in paragraph P of such Schedule H or by any amendment to the Code adopted as hereinafter in Article XII provided and at the time in effect shall be deemed to be unfair methods of competition in commerce within the meaning of the Federal Trade Commission Act as amended, and the using or employing of any of them shall be deemed to be a violation of the Code, and any member of the Industry which shall directly, or indirectly through any officer, employee, agent or representative, knowingly use or employ any of such unfair practices shall be guilty of a violation of the Code.

ARTICLE IX—REPORTS AND STATISTICS

SECTION 1. The Board of Directors shall have power from time to time to require each member of the Code to furnish to the Secretary for the use of the Board of Directors such information concern-

ing the production, shipments, sales and unfilled orders of such member and the hours of labor, rates of pay and other conditions of employment at the plant or plants of such member and such other information as the Board of Directors shall deem necessary or proper in order to effectuate the purpose of the Code and the policy of Title I of the National Industrial Recovery Act. The Board of Directors may require that any such information be furnished periodically at such times as it shall specify and may require that any or all information furnished be sworn to or otherwise certified or authenticated as it shall prescribe. Failure of any member of the Code promptly to furnish to the Secretary information required by the Board of Directors and substantially in the form prescribed by it shall constitute a violation of the Code. The Board of Directors shall not require any information regarding trade secrets or the names of the customers of any member of the Code.

SECTION 2. Any or all information furnished to the Secretary by any member of the Code shall be subject to checking for the purpose of verification by an examination of the books and accounts and records of such member by any accountant or accountants or other person or persons designated by the Board of Directors and shall be so checked for such purpose, if the Board of Directors shall require it. The cost of each such examination shall be treated as an expense of administering the Code; *provided, however,* that, if upon such examination any such information shall be shown to have been incorrect in any material respect, such cost shall be paid by the member of the Code which furnished such information.

SECTION 3. The Board of Directors shall require the members of the Code from time to time to furnish such information as shall be necessary for the proper administration of the Code.

SECTION 4. To the extent that the Board of Directors may deem that any information furnished to the Secretary in accordance with the provisions of the Code is of a confidential character in the interest of the member of the Code which shall have furnished it and that the publication thereof is not essential in order to effectuate the policy of Title I of the National Industrial Recovery Act, such information shall be treated by the Board of Directors and by the other members of the Code, if any knowledge of it shall have come to them, as strictly confidential; and no publication thereof to anyone or in any manner shall be made other than in combination with similar information furnished by other members of the Code, in which case the publication shall be made only in such manner as will avoid the disclosing separately of such confidential information.

SECTION 5. Summaries or compilations in reasonable detail of all information which shall be furnished to the Secretary pursuant to the provisions of this Article IX shall be made periodically and sent to the Administrator.

ARTICLE X—PENALTIES AND DAMAGES

SECTION 1. Any violation of any provision of the Code by any member of the Industry shall constitute a violation of the Code by such member.

SECTION 2. Recognizing that the violation by any member of the Code of any provision of Article VII or of Schedule E of the Code will disrupt the normal course of fair competition in the Industry and cause serious damage to other members of the Code and that it will be impossible fairly to assess the amount of such damage to any member of the Code, it is hereby agreed by and among all members of the Code that each member of the Code which shall violate any such provision shall pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, as and for liquidated damages the sum of \$10 per ton of any products sold by such member in violation of any such provision.

SECTION 3. Except in cases for which liquidated damages are fixed in the Code and in cases which shall give rise to actions in tort in favor of one or more members of the Code for damages suffered by it or them, the Board of Directors shall have power from time to time to establish the amount of liquidated damages payable by any member of the Code upon the commission by such member of any act constituting an unfair practice under the Code and a list of the amounts so fixed shall from time to time be filed with the Secretary. Upon the commission by any member of the Code of any act constituting an unfair practice under the Code and for which liquidated damages are not fixed in the Code or which does not give rise to an action in tort in favor of one or more members of the Code for damages suffered by it or them, such member shall become liable to pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, liquidated damages in the amount at the time established by the Board of Directors for such unfair practice and specified in the list then on file with the Secretary as aforesaid.

SECTION 4. All amounts so paid to or collected by the Treasurer under this Article X or under Section 4 of Schedule E of the Code shall be held and disposed of by him as part of the funds collected under the Code and each member of the Code not guilty of the unfair practice in respect of which any such amount shall have been paid or collected shall be credited with its *pro rata* share of such amount on account of any and all assessments (other than damages for violation of any provision of the Code) due or to become due from such member under the Code, or, in the case of any excess, as shall be determined by the Board of Directors, such *pro rata* share to be computed on the same basis as the last previous assessment made against such member on account of the expenses of administering the Code as hereinbefore in Section 5 of Article VI provided. All rights of any person who shall at any time be the Treasurer in respect of any amounts which shall be payable to him because of the commission by any member of the Code of any act constituting an unfair practice under the Code, whether payable under the provisions of this Article X or under any other provision of the Code, shall pass to and become vested in his successor in office upon the appointment of such successor.

SECTION 5. Each member of the Code by becoming such member agrees with every other member thereof that the Code constitutes a valid and binding contract by and among all members of the Code, subject, however, to the provisions of Section 7 of Article

XI, and that, in addition to all penalties and liabilities imposed by statute, any violation of any provision of the Code by any member thereof shall constitute a breach of such contract and shall subject the member guilty of such violation to liability for liquidated damages pursuant to the provisions of the Code. Each member of the Code by becoming such member thereby assigns, transfers and delivers to the Treasurer as an individual and not as treasurer of the Institute, in trust, all rights and causes of action whatsoever which shall thereafter accrue to such member under the Code for such liquidated damages by reason of any violation of the Code by any other member thereof, and thereby designates and appoints the Treasurer as such individual the true and lawful attorney-in-fact of such member to demand, sue for, collect and receipt for any and all amounts which shall be owing to such member in respect of any such right or cause of action, and to compromise, settle, satisfy and discharge any such right or cause of action, all in the name of such member or in the name of the Treasurer individually, as he shall elect.

SECTION 6. Anything in the Code to the contrary notwithstanding, the Board of Directors by the affirmative vote of two-thirds of the whole Board may waive any liability for liquidated damages imposed by or pursuant to any provision of the Code for any violation of any provision thereof, if in its discretion it shall decide that such violation was innocently made and that the collection of such damages will not to any material extent tend to effectuate the policy of Title I of the National Industrial Recovery Act.

ARTICLE XI—GENERAL PROVISIONS

SECTION 1. Any notice, demand or request required or permitted to be given to or made upon any member of the Code shall be sufficiently given or made if mailed postage prepaid addressed to such member at the address of such member on file with the Secretary. A waiver in writing signed by any member of the Code of any such notice, demand or request and delivered to the Secretary shall be deemed to be the equivalent of a notice, demand or request duly given or made, whether or not such waiver was signed and delivered before the time when such notice, demand or request was required or permitted to be given or made.

SECTION 2. Nothing contained in the Code shall be deemed to constitute the members of the Code partners for any purpose. None of the members of the Code shall be liable in any manner to anyone for any act of any other member of the Code or for any act of the Board of Directors, the Treasurer or the Secretary, or any committee, officer or employee appointed under the Code. None of the members of the Board of Directors or of any committee appointed under the Code, nor the Treasurer, nor the Secretary, nor any officer or employee appointed under the Code, shall be liable to anyone for any action or omission to act under the Code, except for his wilful misfeasance or nonfeasance. Nothing contained in the Code shall be deemed to confer upon anyone other than a member of the Code any right, claim or demand whatsoever not expressly provided by statute against any member of the Code or against any member of the

Board of Directors or of any committee appointed under the Code or against the Treasurer or the Secretary or any officer or employee appointed under the Code.

SECTION 3. As soon as members of the Industry which would, if then members of the Code, have the right to cast at least 75% of all the votes that might be cast at a meeting of the members of the Code, if all members of the Industry were then members of the Code and present at such meeting, shall sign and deliver to the Secretary letters substantially in the form set forth in Schedule A annexed hereto, the Board of Directors shall submit the Code to the President pursuant to the provisions of Title I of the National Industrial Recovery Act and, upon the approval of the Code by the President pursuant to the provisions of such Title I, it shall constitute a binding contract by and among the members of the Code and the provisions thereof shall be the standards of fair competition for the Industry; *subject, however,* to amendment or termination as hereinafter in Article XII provided, and subject also to the provisions of Section 7 of this Article XI.

SECTION 4. To the extent required or made possible by or under the provisions of Title I of the National Industrial Recovery Act the provisions of the Code shall apply to and be binding upon every member of the Industry, whether or not such member shall be a member of the Code. No member of the Industry which shall not also be a member of the Code shall be entitled to vote at any meeting of members of the Code or to any other right, power or privilege provided in the Code for the members thereof.

SECTION 5. The Board of Directors shall have power from time to time to interpret and construe the provisions of the Code, including, but without any limitation upon the foregoing, the power to determine what are products within the meaning of that term as it is used in the Code. Any interpretation or construction placed upon the Code by the Board of Directors shall be final and conclusive upon all members of the Code.

SECTION 6. In case any action taken by the Board of Directors in the exercise of the power vested in it by the provisions of the Code may appear to the Administrator to constitute a modification of the Code or an exemption of any one or more members of the Industry from the application of the provisions of the Code, the Administrator may require that such action be suspended in order to afford an opportunity for investigation by him of the merits of such action and further consideration thereof by the Board of Directors. Pending the determination on such investigation or further consideration, such action shall not become effective, unless the Administrator shall approve it or unless he shall fail to disapprove it after thirty (30) days notice to him of intention to proceed with such action in its original or modified form.

SECTION 7. The members of the Code recognize that, pursuant to subsection (b) of Section 10 of the National Industrial Recovery Act, the President may from time to time cancel or modify any order, approval, license, rule or regulation issued under Title I of said Act.

ARTICLE XII—AMENDMENTS—TERMINATION

SECTION 1. The Code may be amended at any time in the manner in this Section 1 provided. The changing of any schedule hereto or the addition hereto of any new schedule shall constitute an amendment of the Code. All amendments shall be proposed by the Board of Directors by vote of the majority of the members thereof at the time in office. Each amendment so proposed shall be submitted to a meeting of the members of the Code which shall be called for such purpose upon notice given in accordance with the provisions of Section 1 of Schedule B and Section 1 of Article XI of the Code. If at such meeting members of the Code having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall vote in favor of the adoption of such amendment, such amendment shall be submitted by the Board of Directors to the President for approval, if approval thereof by him shall then be required by law. Every such amendment shall take effect as a part of the Code upon the adoption thereof by the members of the Code as above provided and the approval thereof by the President, if approval thereof by him shall be required as aforesaid.

SECTION 2. The Code may be terminated at any time either by action of the President as hereinbefore provided or by the same vote of the members of the Code as is above provided for the amendment thereof. When so terminated all obligations and liabilities under the Code shall cease, except those for unpaid assessments theretofore made in accordance with the provisions of the Code and those for liquidated damages theretofore accrued under any provision of the Code.

Approved Code No. 11.—Amendment No. 1.
Registry No. 1116-02.

SCHEDULE A

FORM OF LETTER OF ASSENT TO THE CODE

, 19 .

To the Secretary of

AMERICAN IRON AND STEEL INSTITUTE,
Empire State Building, New York, N.Y.

DEAR SIR: The undersigned, desiring to become a member of the Code of Fair Competition of the Iron and Steel Industry, a copy of which is annexed hereto marked Annex A, hereby assents to all of the provisions of said Code (hereinafter referred to as the Code), and, effective as of the date on which the Code shall have been approved by the President of the United States of America as therein provided, or as of the date on which this letter shall have been delivered, if delivery thereof shall have been made subsequent to the date on which the Code shall have been approved by said President as aforesaid, by the signing and delivery of this letter becomes a member of the Code and effective as aforesaid hereby agrees with every person, firm, association and corporation who shall then be or thereafter become a member of the Code that the Code shall constitute a valid and binding contract between the undersigned and all such other members.

Effective as aforesaid, pursuant to Section 5 of Article X of said Code, the undersigned (a) hereby assigns, transfers and delivers to the Treasurer under the Code, as an individual and not as treasurer of American Iron and Steel Institute, in trust, all rights and causes of action whatsoever hereafter accruing to the undersigned under the Code for liquidated damages by reason of any violation thereof by anyone, and (b) hereby designates and appoints said Treasurer as such individual the true and lawful attorney-in-fact of the undersigned, to demand, sue for, collect and receipt for any and all amounts which shall be owing to the undersigned in respect of any such right or cause of action, and to compromise, settle, satisfy and discharge any such right or cause of action, all in the name of the undersigned or in the name of said Treasurer, as said Treasurer shall elect.

For all purposes of Section 1 of Article XI of the Code the address of the undersigned, until it shall file with the Secretary of American Iron and Steel Institute written notice of a change of such address, shall be as set forth at the foot of this letter.

Very truly yours,

Address:

SCHEDULE B

THE RULES AND REGULATIONS IN RESPECT OF MEETING OF MEMBERS OF THE CODE

SECTION 1. A meeting of members of the Code may be called and held at any time by order of the Board of Directors, or by members of the Code having the right to cast at least 50% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, on not less than three days' notice to each of such members stating the time and place of such meeting and the purposes thereof.

SECTION 2. At each meeting of the members of the Code each member thereof shall have as many votes as shall equal the quotient obtained by dividing by 500,000 the aggregate amount in dollars of the invoiced value of the products delivered by such member for consumption within the United States during the preceding calendar year. Fractions in such quotient shall be disregarded; *provided, however,* that each member of the Code shall have at least one vote. All questions as to the number of votes which each member of the Code shall be entitled to cast at any meeting of the members thereof shall be determined by the Board of Directors. Any person or firm who shall be a member of the Code may, and any association or corporation which shall be a member of the Code shall, vote at meetings of the members of the Code by proxy in writing duly executed by such member and filed with the Secretary. Any such proxy may be for a specified meeting or be a general proxy for any or all meetings that may be held until such proxy shall have been revoked by an instrument in writing duly executed by the member of the Code which gave such proxy and filed with the Secretary.

SECTION 3. At each meeting of the members of the Code, members thereof having the right to cast at least 75% of all the votes that might be cast at such meeting, if all the members of the Code were present thereat, shall constitute a quorum for the transaction of business at such meeting.

SCHEDULE C

DESCRIPTION OF WAGE DISTRICTS

1. EASTERN DISTRICT.—Comprises that part of the United States which is north of the State of Virginia and east of a line drawn north and south through the most easterly point of Altoona, Pennsylvania; that part of the State of Maryland which is west of such line; and the Counties of Monongalia, Marion and Harrison in the State of West Virginia.
2. JOHNSTOWN DISTRICT.—Comprises Cambria County and the City of Altoona in the State of Pennsylvania.
3. PITTSBURGH DISTRICT.—Comprises the Counties of Westmoreland, Fayette, Greene, Washington, Allegheny, Beaver, Butler, Armstrong and Jefferson and that part of the County of Clearfield which is west of a line drawn north and south through the most easterly point of Altoona, all in the State of Pennsylvania.
4. YOUNGSTOWN VALLEY DISTRICT.—Comprises the Counties of Lawrence, Mercer and Venango in the State of Pennsylvania and the Counties of Trumbull, Mahoning and Columbiania in the State of Ohio.
5. NORTH OHIO RIVER DISTRICT.—Comprises the cities along the Ohio River north of the City of Parkersburg, West Virginia, and the Counties of Belmont and Jefferson in the State of Ohio and the Counties of Marshall, Ohio, Brooke and Hancock in the State of West Virginia.
6. CANTON, MASSILLON AND MANSFIELD DISTRICT.—Comprises the Counties of Stark, Tuscarawas, Summit, Richland and Marion in the State of Ohio.
7. CLEVELAND DISTRICT.—Comprises the Counties of Ashtabula, Lake, Cuyahoga and Lorain in the State of Ohio.
8. BUFFALO DISTRICT.—Comprises that part of the State of New York west of a line drawn north and south through the most easterly point of Altoona, Pennsylvania, and the Counties of Erie, Crawford and Warren in the State of Pennsylvania.
9. DETROIT-TOLEDO DISTRICT.—Comprises the Counties of Seneca and Lucas in the State of Ohio and the Counties of Monroe, Lenawee, Jackson, Wayne, Oakland, Macomb and Washtenaw in the State of Michigan.
10. SOUTH OHIO RIVER DISTRICT.—Comprises the State of Kentucky, the City of Parkersburg, West Virginia, the cities along the Ohio River south of said City, the Counties of Guernsey, Muskingum, Jackson, Licking and Butler in the State of Ohio and the County of Wood in the State of West Virginia.
11. INDIANA-ILLINOIS-ST. LOUIS DISTRICT.—Comprises all the State of Indiana, except the county of Lake; all the State of Illinois, except the Counties of Lake and Du Page and the Chicago Switching District; the City of St. Louis and the County of St. Louis in the State of Missouri; the County of Scott in the State of Iowa; and the Counties of Rock and Ozaukee in the State of Wisconsin.
12. CHICAGO DISTRICT.—Comprises the Chicago Switching District; the Counties of Lake and Du Page in the State of Illinois; the County of Lake in the State of Indiana; and the Counties of Kenosha, Racine and Milwaukee in the State of Wisconsin.
13. SOUTHERN DISTRICT.—Comprises all that part of the United States south of the States of Maryland, West Virginia, Kentucky and Missouri, and the States of Texas and Oklahoma, but does not include the County of Jefferson in the State of Alabama.
14. BIRMINGHAM DISTRICT.—Comprises the County of Jefferson in the State of Alabama.
15. KANSAS CITY DISTRICT.—Comprises the County of Jackson in the State of Missouri and the County of Polk in the State of Iowa.
16. DULUTH DISTRICT.—Comprises the County of St. Louis in the State of Minnesota.

17. COLORADO DISTRICT.—Comprises the State of Colorado.
18. UTAH DISTRICT.—Comprises the State of Utah.
19. SEATTLE DISTRICT.—Comprises the County of King in the State of Washington and the County of Multnomah in the State of Oregon.
20. SAN FRANCISCO DISTRICT.—Comprises the Counties of San Mateo, Alameda, Sacramento and Contra Costa in the State of California.
21. LOS ANGELES DISTRICT.—Comprises the County of Los Angeles in the State of California.

SCHEDULE D

MINIMUM RATES OF PAY FOR COMMON LABOR

	<i>Cents per hour</i>		<i>Cents per hour</i>
1. Eastern District-----	35	12. Chicago District-----	40
2. Johnstown District-----	37	13. Southern District-----	25
3. Pittsburgh District-----	40	14. Birmingham District-----	27
4. Youngstown Valley District-----	40	15. Kansas City District-----	35
5. North Ohio River District-----	40	16. Duluth District-----	37
6. Canton, Massillon and Mansfield District-----	37	17. Colorado District-----	40
7. Cleveland District-----	40	18. Utah District-----	39
8. Buffalo District-----	38	19. Seattle District-----	38
9. Detroit-Toledo District-----	40	20. San Francisco District-----	37
10. South Ohio River District-----	37	21. Los Angeles District-----	35
11. Indiana-Illinois-St. Louis District -----	37		

SCHEDULE E
CONCERNING PRICES AND TERMS OF PAYMENT

SECTION 1. Wherever used in the Code the terms hereinafter in this Section 1 defined shall, unless the context shall otherwise clearly indicate, have the respective meanings hereinafter in this Section 1 set forth. The definition of any such term in the singular shall apply to the use of such term in the plural and vice versa.

(a) Until Schedule F of the Code shall have been amended as in Article XII of the Code provided, the term "basing point" for any product means one of the places listed in such Schedule F as a basing point for such product. Thereafter the term shall mean one of the places listed in such Schedule F as at the time in effect as a basing point for such product.

(b) The term "base price" for any product means the price for such product f.o.b. a basing point, before any extras in respect of such product shall be added or any discounts for early payment or deductions shall be allowed or made.

(c) The term "place of delivery" as used with respect to any product means (1) the railroad freight station at or nearest to the place at which the purchaser shall intend to use such product or at which such purchaser shall have a place of business and shall store such product for resale, or (2), in the case of a product sold to a jobber for direct shipment by a member of the Code to a purchaser of such product from such jobber, the railroad freight station at or nearest to the place at which such purchaser shall intend to use such product, or (3), in the case of a product destined for delivery at a port in the Canal Zone or in Alaska, a dock at such port, or (4), except as the Board of Directors shall otherwise determine, in the case of carload quantities of plates, shapes and bars intended for fabrication for an identified structure, the railroad freight station at or nearest to the place at which such structure is to be erected.

(d) The term "identified structure" means a structure which, when the product or products that enter into its construction are assembled or erected, is fixed in its location for use at the point of the assembly or erection of such product or products, or a ship or a barge.

(e) The term "shipment" as used with respect to any product means the delivery of the possession of such product to a carrier for the transportation thereof to the place of delivery, or, when such product shall be transported by the member of the Code which shall have sold or contracted to sell it, the completion of the loading of such product and the commencement of the transportation thereof to the place of delivery.

(f) Except as hereinafter in this paragraph (f) provided, the term "all-rail published tariff freight charges" as used with respect to the sale by a member of the Code of any quantity of any product means the freight charges applicable to the quantity of such product shipped at one time at the all-rail published tariff freight rates in effect at the time of the shipment thereof, and as used with respect to the sale by a member of the Code of any quantity of any product sold at one time for use in the construction of an identified structure, such term means the freight charges applicable to such quantity of such product at the all-rail published tariff freight rates in effect at the time of such sale. In the case of a sale or contract of sale of a carload or more of various products for shipment in mixed carload lots, whether the respective base prices for such products be based on the same or different basing points, the term "all-rail published tariff freight charges" means the freight charges applicable to the respective quantities of such products sold from the basing point or basing points on which the respective base prices of such products are based to the place of delivery thereof at the all-rail published tariff carload freight rates in effect at the time of the shipment of such products.

(g) The term "period of free credit" means the period of time between the date of a shipment of a product to the purchaser of such product and the date from and after which such purchaser shall be required to pay interest on the purchase price of such product or any part thereof which shall not have been paid prior to the expiration of such period.

(h) The term "date of invoice" means the date of the invoice of any product.

(i) The term "discount for early payment" means the amount of the deduction allowed for the payment of an invoice of products within a specified number of days after the date of such invoice.

(j) The term "an affiliated group" means one or more corporations connected through stock ownership w.th a common parent corporation, if (1) at least 75% of the stock of each of such corporations (except such common parent corporation) is owned directly by one or more of the other corporations, and (2) such common parent corporation owns directly at least 75% of the stock of at least one of the other corporations. The term "an affiliated company of a member of the Code" means (1) a corporation which is one of an affiliated group that also includes such member of the Code, or (2), in case the member of the Code is a person, firm or association, a corporation at least 75% of the stock of which is owned by such member. For the purposes of this paragraph (j) the term "stock" does not include non-voting stock which is limited and preferred as to dividends.

SECTION 2. Each member of the Code which shall have become such within ten days after the effective date of the Code shall prior to the expiration of such ten days file, and each member of the Code which shall become such after the expiration of such ten days shall upon becoming a member of the Code file, with the Secretary a list showing the base prices for all its products, and from and after the expiration of such ten days or, in the case of any such list filed at or after the expiration of such ten days, from and after the date on which such list shall be filed, such member shall at all times maintain on file with the Secretary a list showing the base prices for all its products and shall not make any change in such base prices except as provided in this Schedule E. Each such list shall state the date upon which it shall become effective, which date, except as hereinafter in this Section 2 otherwise provided, shall be not less than ten days after the date of filing such list with the Secretary; *provided, however,* that the first list of base prices filed by any member of the Code as above provided shall take effect on the date of the filing thereof. In naming a product in any such list the name of such product shown in Schedule F of the Code shall be used, and none of such lists filed by any member of the Code shall show more than one base price for any product of any description at any basing point for such product, except that in any list of base prices for pipe filed by any member of the Code both a carload price and a less-than-carload price may be shown. None of the base prices shown in any list filed by any member of the Code as herein provided shall be changed except by the filing by such member with the Secretary of a new list of its base prices, which shall become effective on the effective date therein specified, which, except as hereinafter in this Section 2 otherwise provided, shall not be less than ten days after the date on which such new list of base prices shall have been so filed. If at any time there shall be on file with the Secretary lists of base prices in which two or more base prices for any product at any basing point shall be shown, any member of the Code which shall have filed a list of base prices in which a base price for such product at such basing point shall be shown may file a new list of base prices in which a new base price for such product at such basing point may be shown as low as the lowest base price for such product at such basing point shown in a list of base prices filed by any other member of the Code and such new list of base prices shall become effective in so far as such product is concerned on the date specified therein, which date may be (a) the same date as that on which such list of base prices in which such lowest base price shall be shown shall become effective, if such last-mentioned list of base prices shall not have become effective on the date of the filing of such new list of base prices, or (b) the date of the filing of such new list of base prices, if the list of base prices in which such lowest base price shall be shown shall then be effective. In the case of products which are sold on a list and discount basis, for the purposes of this Section 2 the list of base prices shall consist of a price list and one or more basing discount lists, from which the base prices of such products shall be determined.

SECTION 8. Except as hereinafter otherwise provided in respect of standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, the base price for any product shown in any list of base prices filed by a member of the Code in accordance with the provisions of the foregoing Section 2 shall be as follows: (a) If such member shall operate a plant for the production of such product which is located at a basing point for such product, f.o.b. such basing point, or (b), if such member shall operate a plant for the production of such product which is not located at a basing point for such product, f.o.b. the basing point for such product nearest in terms of all-rail freight rates to such plant, or (c), if any Gulf or Pacific Coast port shall be listed as a basing point for such product in Schedule F of the Code as at the time in effect, f.o.b. cars dock such port, or (d), if any Atlantic Coast port shall be listed in such Schedule F as at the time in effect as a basing point for ferro-manganese or spiegeleisen, then for such product f.o.b. cars dock such port, or (e), so long as Palmerton, Pa., shall be listed in such Schedule F as at the time in effect as a basing point for spiegeleisen, then for such product f.o.b. such basing point. Except as otherwise provided in this Schedule E, each member of the Code shall file with the Secretary and maintain on file with him a list showing the base price for each of its products for each basing point for such product at which a plant of such member for the manufacture of such product shall be located and for each basing point for such product which shall be nearest in terms of all-rail freight rates to any plant of such member for the manufacture of such product not located at a basing point for such product; and, if any Gulf or Pacific Coast port shall be listed in such Schedule F as a basing point for a product, such member may show in such list its base price for such product at such basing point. All base prices shown in the list so filed shall constitute the published base prices of such member for the products and for the basing points shown in such list. Except as aforesaid, none of the members of the Code shall file any list of base prices showing any price for any of its products other than the base price for such product f.o.b. the basing point or basing points for such product as herein-before provided. The published base price of each such member for any product (except standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor) for any basing point for such product other than that or those shown in the list of base prices so filed by such member shall be deemed to be the lowest base price for such product at such other basing point which shall be shown in the list of base prices filed by any other member of the Code and then in effect.

All base prices for standard Tee rails of more than 60 pounds per yard and for angle bars and rail joints therefor shall be f.o.b. mill of the producer thereof, or, in the case of such rails, angle bars and rail joints carried by water from any Atlantic Coast or Gulf port to any Gulf or Pacific Coast port, c.i.f. the port of destination. Except in the case of contracts of the character described in the exception contained in the second sentence of Section 8 of this Schedule E, none of the members of the Code shall sell or contract to sell any product for shipment in any calendar quarter-year, until such member shall have filed with the Secretary a list of base prices in which the base price for such product at the basing point, or the base prices at the respective basing points, of such member for such product for such quarter-year shall be shown and such list shall have become effective; *provided, however,* that nothing herein contained shall be so construed as to prevent such member from filing at any time a new list of base prices in which shall be shown a base price for such product at such basing point or any of such basing points which shall be lower than the base price for such product at such basing point shown in the list of base prices which was last filed by such member prior to the date on which such new list of base prices was so filed; and *provided, further,* that, if such member shall file a new list of base prices showing any such lower base price at any basing point, any member of the Code may change any contract which it shall theretofore have made for shipment of any quantity of such product in such quarter-year at a price which was based on such basing point, other than a contract of the character described in the exception contained in the second sentence of said Section 8, so as to provide that any part of the quantity of such product covered by such contract which shall not have been shipped prior to the effective date of such new list of base prices and which shall be shipped thereafter in such quarter-year may be billed at a price which shall be determined by the use

of such lower base price. Notwithstanding the fact that a member of the Code is not permitted to have on file a list of base prices in which base prices for a period longer than a calendar quarter-year shall be shown, any base price of any product shown therein for any basing point shall be deemed to be in effect in determining the delivered price of such product for such basing point required by any contract to be shipped in any subsequent quarter-year as permitted by the provisions of Section 8 of this Schedule E. Lists of base prices filed with the Secretary pursuant to the foregoing Section 2 and to this Section 3 shall be open to inspection at all reasonable times by anyone.

SECTION 4. Except as otherwise provided in this Schedule E, all prices quoted and all prices billed by any member of the Code for any product (except standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor, which shall be quoted and billed as hereinafter provided) sold by such member from and after ten days after the effective date of the Code shall be delivered prices, which (disregarding the extras, if any, required by, and the deductions, if any, that may be made pursuant to, the provisions of the Code) shall be not less than the sum of (a) the published base price of such member for such product effective at the time of and for the sale thereof and (b) an amount equal to the all-rail published tariff freight charges from the basing point on which such base price is based to the place of delivery to the purchaser thereof, or, (1) if such place of delivery shall be at such basing point, the published tariff switching charges to such place of delivery from the plant of any member of the Code for the production of such product at such basing point nearest in terms of such switching charges to such place of delivery; or, (2) if such place of delivery shall be at a Gulf or Pacific Coast port that is listed in Schedule F of the Code as a basing point for such product, the published tariff switching charges to such place of delivery from the dock for discharging products nearest in terms of such switching charges to such place of delivery; *provided, however,* that (a) in any case in which such product shall be delivered by other than all-rail transportation, the member of the Code selling such product may allow to the purchaser a reduction in the delivered price otherwise chargeable under the provisions of this Section 4 at such rate previously approved by the Board of Directors and filed with the Secretary as the Board of Directors shall deem equitable and necessary, in order that competitive opportunity to producers and consumers of products shall be maintained; and (b), subject as hereinafter in this Section 4 provided, if any list of base prices filed with the Secretary by any member of the Code pursuant to the provisions of this Schedule E and at the time in effect shall show a specified rate of deduction from the base price of any product to be allowed by such member on any sale of such product to any jobber for resale, such member may, from and after the date on which such list shall have become effective, allow to any jobber to whom such member shall sell such product for resale a deduction from such base price to such jobber for such product at a rate not greater than the rate so shown in such list; and *provided, further,* that the Board of Directors by the affirmative vote of three-fourths of the whole Board may permit any member of the Code in special instances or members of the Code generally to sell or contract for the sale of any product produced by such member or members at a base price which shall be less than the then published base price of such member or members for such product at the respective basing points therefor of such members, or at a delivered price which shall be less than the delivered price otherwise chargeable under the provisions of this Section 4, if by such vote such Board shall determine that the making of such sale or contract of sale at such less base price or less delivered price is in the interest of the Industry or of any other branch of industry and will not tend to defeat the policy of Title I of the National Industrial Recovery Act by making possible the using or employing of an unfair practice.

The Board of Directors shall prescribe such rules and regulations as it shall deem proper by which the question of whether or not any purchaser or prospective purchaser of any product for resale is a jobber shall be determined, and in granting any permission as aforesaid, the Board of Directors shall prescribe such rules and regulations in respect thereof as in its judgment shall be necessary in order to insure to the members of the Code that action in accordance with any such permission shall not result in an unfair practice; and thereafter such Board may by like vote rescind any permission so granted or modify, cancel or add to any rules and regulations so prescribed. The Secretary shall

send to each member of the Code a copy of all such rules and regulations prescribed by such Board with respect to the determination of the question of whether a purchaser or prospective purchaser for resale is a jobber and he shall give notice in writing of all action so taken by the Board of Directors to each member of the Code which at the time shall be engaged in producing the kind of product in respect of which any such permission was granted. Before any member of the Code shall allow any such deduction to any jobber or sell for resale to any purchaser who shall not be a jobber any product pursuant to any permission so granted to such member, such member shall secure from such jobber or such other purchaser an agreement substantially in a form heretofore approved by the Board of Directors and filed with the Secretary whereby such jobber or other purchaser shall agree with such member (a) that such jobber or other purchaser will not, without the approval of the Board of Directors, sell such product to any third party at a price which at the time of the sale thereof shall be less than the price at which such member might at that time sell such product to such third party, and (b) that, if such jobber or such other purchaser shall violate any such agreement, he shall pay to the Treasurer as an individual and not as treasurer of the Institute, in trust, as and for liquidated damages the sum of \$10 per ton of any product sold by such jobber or such other purchaser in violation thereof. In the case of a product destined for delivery at a place in the Canal Zone or at a port in Alaska, the member of the Code selling such product, in determining its delivered price therefor, shall add to its published base price for such product effective at the time of and for the sale thereof such charges in respect of transportation as shall have been previously approved by the Board of Directors and filed with the Secretary.

Except as aforesaid, all prices quoted and billed by any member of the Code for standard Tee rails of more than 60 pounds per yard and angle bars and rail joints therefor sold by it from and after ten days after the effective date of the Code (disregarding extras and deductions as aforesaid) shall be not less than the published base price of such member for such rails, angle bars and rail joints effective at the time of and for the sale thereof f.o.b. mill of the producer, or, in the case of such rails, angle bars or rail joints carried by water from any Atlantic Coast or Gulf port to any Gulf or Pacific Coast port, c.i.f. the port of destination. Wherever provisions of the Code or of any resolution adopted thereunder by the Board of Directors require, either specifically or in effect, that in determining the delivered price that may be quoted and billed for any product an amount equal to any published tariff freight charges shall be added, an amount not less than the appropriate tariff freight charges shown in any tariff published pursuant to authority of the Board of Directors shall be added in determining such delivered price; *provided, however,* that when switching charges for the delivery of a product at a basing point are required to be added in determining such delivered price, the Board of Directors may by resolution fix such an arbitrary switching charge or such arbitrary switching charges for the delivery of such product as such Board shall deem proper with a view to preventing unequal competitive conditions in respect of the sale of such product for delivery at such basing point; and *provided, further,* that, if and when the Board of Directors shall fix any such arbitrary switching charge or arbitrary switching charges for the delivery of a product at a basing point, thereafter not less than the amount of such charge or charges shall be added in determining the delivered price of such product.

In case at the effective date of the Code any valid, firm contract to which a member of the Code shall be a party shall exist for a definite quantity of any product or for all or a substantial part of the requirements of the purchaser thereof (a) at a fixed price, or (b) at a price that can be definitely determined in accordance with the provisions of such contract, or (c) at the market price for such product at the date when a definite quantity thereof shall be specified under such contract and such contract covered a sale of 20% or more of the total quantity of such product produced and sold in the United States in the calendar year 1932, it is recognized that such contract may influence to an important extent the market price for such product during the remainder of its life and that, if the other members of the Code which produce and sell such product shall by the foregoing provisions of this Schedule E be prevented from selling such product during the remainder of the life of such contract at as favorable a price and on as favorable terms and conditions as those provided for in such contract, then unfair competition as between the member of the Code

which shall be a party to such contract and the other members thereof and also as between the other party to such contract and its competitors may result. Accordingly, anything herein to the contrary notwithstanding, during the remainder of the life of such contract any member of the Code may sell such product at a price and on terms and conditions as favorable as (but not more favorable than) the price, terms and conditions provided for in such contract and the Board of Directors may take such action in respect of sales of such product by members of the Code consistent with the terms of such contract as will insure the prevention of such unfair competition. In case any contract in existence at the effective date of the Code shall require that the price quoted and billed for any product that is covered by a patent shall be based on a basing point other than as provided in Section 3 of this Schedule E, then, anything in this Schedule E to the contrary notwithstanding, any member of the Code which shall produce and sell such product or any other product which the Board of Directors shall determine to be competitive in sale and use with such product may file a base price for such product or such other product for such basing point or basing points as will meet the requirements of such contract with respect to the product covered thereby and may quote and bill delivered prices for such product or such other product based on such basing point or basing points.

SECTION 5. The Board of Directors by the affirmative vote of a majority of the whole Board may establish maximum rates of discount for early payment and maximum periods of free credit, other than those specified in Schedule G annexed hereto, which may be allowed by any member of the Code with respect to the sale of any product or products to jobbers for resale as permitted by the provisions of Section 4 of this Schedule E. The Secretary shall give notice in writing of any action taken by the Board of Directors in accordance with the provisions of this Section 5 to each member of the Code which at the time shall be engaged in producing the kind of product in the sale of which any such other rates or periods shall have been established by such action. Except as aforesaid and except as elsewhere in this Schedule E of the Code otherwise provided the maximum rates of discount for early payment and the maximum periods of free credit which may be allowed by any member of the Code shall be the rates and periods specified in said Schedule G. Except as aforesaid, all invoices for products sold by any member of the Code after the effective date of the Code shall bear interest from and after the expiration of the period of free credit at a rate which shall be not less than the then current rate established by the Board of Directors and filed with the Secretary. Nothing in the Code contained shall prevent any member of the Code from allowing credit to any purchaser or allowing any purchaser to delay payment in respect of any invoice for a longer period than the maximum period of free credit specified in such Schedule G or such other maximum period as shall be established in accordance with the provisions of this Section 5; but, if any member of the Code shall allow credit to any purchaser or allow any purchaser to delay payment in respect of any invoice for a period longer than such maximum period of free credit, then such member shall charge and collect interest on the amount in respect of which credit shall be so allowed or the payment of which shall have been so delayed at a rate not less than the current rate established and filed as aforesaid. Anything in the Code to the contrary notwithstanding, the Board of Directors shall have power to authorize any member of the Code to compromise or settle on such terms and conditions as the Board of Directors by resolution shall approve any claim for the principal of, or the interest on, any indebtedness to such member on account of any product or products sold by it.

SECTION 6. Except as in this Schedule E otherwise provided, any extras added to, and any deductions made from, the base price for any product sold by any member of the Code in determining its quoted or billed price for such product shall be uniform for all members of the Code. The rates of such extras and of such deductions shall be those approved from time to time by the Board of Directors as being in accordance with the trade practice customary in the Industry at the effective date of the Code and as meeting the requirements of the Code. Lists showing such rates shall be filed with the Secretary and shall be open to inspection at all reasonable times by anyone. In case any member of the Code shall sell any product to which any such rate of extra or deduction shall apply, except as aforesaid such member shall add an extra

at a rate which shall not be less than the rate of extra applicable to such product theretofore approved by the Board of Directors as aforesaid and at the time in effect and none of the members of the Code shall make any deduction at a rate that shall be more favorable to the purchaser of such product than the rate of deduction applicable to such product theretofore approved by the Board of Directors as aforesaid and at the time in effect; *provided, however,* that nothing in the Code contained shall be so construed as to prevent any member of the Code from selling or contracting to sell any product for use by the purchaser thereof in the manufacture of articles for shipment in export trade within the meaning of the term "export trade" as it is used in the Export Trade Act under an agreement by such member of the Code with such purchaser that, when such articles shall have been shipped in such export trade, such member of the Code shall make an allowance at a rate approved by the Board of Directors and a statement of the approval of which shall theretofore have been filed with the Secretary, which rate in the opinion of such Board shall be sufficient to enable such member of the Code or such purchaser to meet foreign competition in the sale and delivery of such product or such articles, as the case may be.

SECTION 7. The practice of shipping products on consignment may result in unfair competition and it is the intention of the Industry to eliminate such practice as soon as possible after the effective date of the Code. Accordingly, except to the extent necessary to carry out arrangements existing on the effective date of the Code and which shall have been reported to the Board of Directors, from and after such date none of the members of the Code shall deliver products, other than pipe, on consignment except to an affiliated company of such member. All arrangements for the delivery by any member of the Code of products on consignment (other than consignments to an affiliated company of such member and other than consignments of pipe) existing on the effective date of the Code shall be terminated on or before June 30, 1934, and all stock held on consignment on that date shall either be sold to the consignee or possession thereof shall be taken by the consignor. The Board of Directors shall investigate problems presented in the elimination of consigned stocks of pipe and shall recommend to the members of the Code which shall be parties to then existing arrangements with respect to shipments of pipe on consignment (other than consignments from a member of the Code to an affiliated company) such action in respect thereof as such Board shall deem proper and designed to accomplish the termination of all such arrangements (other than as aforesaid) at as early a date as possible.

SECTION 8. For all purposes of this Schedule E, a delivery of any product made pursuant to a contract of sale shall be regarded as a sale thereof made at the time of the making of such contract. Except in the case of a product required (a) by a purchaser for the construction of an identified structure or new railroad cars or locomotives under a specified definite contract of such purchaser with a third party at a fixed price, or for the construction of such a structure or such cars or locomotives owned or to be owned by such purchaser, in each of which cases the product shall be sold under a contract which shall expressly provide that such product shall be used only for such structure, or (b) by the Federal Government or any state, county or municipal government or any department or division thereof for a definite project, and except as the Board of Directors shall determine to be necessary for the manufacture and delivery of a product or necessary or advisable in order to aid the Federal Government or any state, county or municipal government in carrying through its program of economic recovery, reemployment of labor or relief of distress or otherwise for the advancement of public purposes and the general welfare, none of the members of the Code shall make any contract of sale of any product by the terms of which the shipment of such product is not required to be completed before the end of the calendar quarter-year ending not more than four months after the date of the making of such contract. Every contract made on or after June 1, 1934, for the sale of any product which by the terms of such contract is required to be or may be delivered after the expiration of ten days after the date of such contract shall be in writing. On and after June 1, 1934, none of the members of the Code shall make any contract for the sale of all or any part of the requirements of the other party to such contract for any product, unless the maximum quantity of such product to be delivered under such contract shall be specified therein.

SECTION 9. Nothing in the Code contained, however, shall be so construed as to prevent the performance by any member of the Code of a valid, firm contract existing and to which it is a party at the effective date of the Code for a definite quantity of any product or for all or a substantial part of the requirements of the purchaser thereof (a) at a fixed price, or (b) at a price that can be definitely determined in accordance with the provisions of such contract, or (c) at the market price for such product at the date when a definite quantity thereof shall be specified under such contract. If any member of the Code shall at the effective date thereof be a party to any contract for the sale of any product by such member which by its terms is to continue after December 31, 1933, and by its terms the price to be paid for such product by the other party to such contract is related to the market price thereof at the date when a definite quantity thereof may be specified under such contract and may be less than such market price, then such member shall within thirty days after the effective date of the Code file a copy of such contract with the Secretary in order that the Board of Directors may consider it and take such action in respect thereof consistent with the rights and obligations of the parties to such contract as such Board shall deem proper.

SECTION 10. None of the provisions of the Code shall apply to the sale by any member of the Code to an affiliated company of such member of any product (a) for resale as the same product or (b) for its own use (but not for use in the production in whole or in part of any article sold by it which is not a Code product, that is, a product as that term is defined in Section 3 of Article I of the Code) or (c) for use by it in the production of one or more Code products to be sold by it; *provided, however,* that a sale by an affiliated company of any member of the Code (1) of any Code product acquired by such affiliated company from such member or from one or more affiliated companies of such member or (2) of any Code product produced by such affiliated company from one or more Code products acquired by it from such member or from one or more affiliated companies of such member shall be deemed to be a sale made by such member of the Code.

SECTION 11. Nothing in the Code contained shall be deemed to apply to or affect the sale of any product for direct shipment in export trade by any member of the Code within the meaning of the term "export trade" as it is used in the Export Trade Act or, unless and to the extent that the Board of Directors shall otherwise determine, the sale of any product by any such member for direct shipment to the Philippines, Hawaii or Porto Rico or other insular possessions of the United States of America.

SECTION 12. If and to the extent requested by the Administrator, all decisions of, permissions and approvals given by and rules and regulations made by, the Board of Directors pursuant to any provision of this Schedule E shall be reported to him.

SCHEDULE F

LIST OF BASING POINTS

The places hereinafter in this Schedule F listed are the basing points for the respective products named.

AXLES—ROLLED OR FORGED

Pittsburgh, Pa.	Birmingham, Ala.
Chicago, Ill.	

BALE TIES—SINGLE LOOP

Pittsburgh, Pa.	Duluth, Minn.
Cleveland, O.	Gulf Ports ¹
Chicago, Ill.	Pacific Coast Ports ²
Birmingham, Ala.	

BARS—ALLOY STEEL, HOT ROLLED

Pittsburgh, Pa.	Canton, O.
Buffalo, N.Y.	Massillon, O.
Chicago, Ill.	Bethlehem, Pa.

BARS—COLD FINISHED, CARBON AND ALLOY

Pittsburgh, Pa.	Chicago, Ill.
Buffalo, N.Y.	Gary, Ind.
Cleveland, O.	

BARS—CONCRETE REINFORCING, STRAIGHT LENGTHS

Pittsburgh, Pa.	Birmingham, Ala.
Buffalo, N.Y.	Youngstown, O.
Cleveland, O.	Gulf Ports
Chicago, Ill.	Pacific Coast Ports
Gary, Ind.	

BARS, INGOTS, BLOOMS AND BILLETS—IRON

Pittsburgh, Pa.	Reading, Pa.
Chicago, Ill.	Danville, Pa.
Troy, N.Y.	Berwick, Pa.
Jersey City, N.J.	Burnham, Pa.
Dover, N.J.	Creighton, Pa.
Rockaway, N.J.	Richmond, Va.
Philadelphia, Pa.	Cuyahoga Falls, O.
Columbia, Pa.	Louisville, Ky.
Lebanon, Pa.	Terre Haute, Ind.

¹ Except as otherwise shown in this Schedule F, the Gulf Ports are Mobile, Ala.; New Orleans and Lake Charles, La.; and Orange, Port Arthur, Beaumont, Baytown, Galveston, Houston and Corpus Christi, Tex.

² Except as otherwise shown in this Schedule F, the Pacific Coast Ports are San Diego, San Pedro (Includes Wilmington and Los Angeles), Long Beach, San Francisco (Includes Oakland), Stockton and Sacramento, Cal.; Portland, Ore.; and Seattle (Includes Tacoma), Everett and Bellingham, Wash.

BARS—MERCHANT STEEL

Pittsburgh, Pa.	Birmingham, Ala.
Buffalo, N.Y.	Duluth, Minn.
Cleveland, O.	Moline, Ill. (Rail Steel only)
Chicago, Ill.	Gulf Ports
Gary, Ind.	Pacific Coast Ports

BARS—TOOL STEEL

Pittsburgh, Pa.	Bethlehem, Pa.
Syracuse, N.Y.	

FERRO-MANGANESE AND SPIEGELEISEN

New York, N.Y.	Gulf Ports:
Philadelphia, Pa.	Mobile, Ala. (Ferro-manganese only)
Baltimore, Md.	
Palmerton, Pa. (Spiegeleisen only)	New Orleans, La.
Chicago, Ill. (Spiegeleisen only)	

GIRDER RAILS AND SPLICE BARS THEREFOR

Lorain, O.	Steelton, Pa.

INGOTS, BLOOMS, BILLETS AND SLABS—ALLOY

Pittsburgh, Pa.	Canton, O.
Buffalo, N.Y.	Massillon, O.
Chicago, Ill.	Bethlehem, Pa.

INGOTS, BLOOMS, BILLETS AND SLABS—CARBON

Pittsburgh, Pa.	Gary, Ind.
Buffalo, N.Y.	Birmingham, Ala.
Cleveland, O.	Duluth, Minn. (Billets only)
Chicago, Ill.	Youngstown, O.

LIGHT RAILS—60 LBS. OR LESS PER YARD—AND SPLICE BARS AND ANGLE BARS THEREFOR

Pittsburgh, Pa.	Birmingham, Ala.
Chicago, Ill.	

MECHANICAL TUBING

Pittsburgh, Pa.	Detroit, Mich.
Canton, O.	Milwaukee, Wis.
Shelby, O.	

PIG IRON—FOUNDRY, HIGH SILICON SILVERY, MALLEABLE, OPEN HEARTH BASIC, BESSEMER AND HIGH SILICON BESSEMER

Buffalo, N.Y.	Birdsboro, Pa.
Cleveland, O.	Hamilton, O.
Chicago, Ill.	Jackson, O.
Birmingham, Ala.	Toledo, O.
Youngstown, O.	Granite City, Ill.
Neville Is., Pa.	Detroit, Mich.
Sharpsville, Pa.	Duluth, Minn. (except Open Hearth Basic)
Erie, Pa.	Provo, Utah
Bethlehem, Pa.	Everett, Mass.
Steelton, Pa.	
Swedeland, Pa.	Sparrows Point, Md.

PIG IRON—LOW PHOSPHORUS

Birdsboro, Pa.	Standish, N.Y.
Steelton, Pa.	Johnson City, Tenn.

PIPE—STANDARD, LINE PIPE AND OIL COUNTRY TUBULAR PRODUCTS

Pittsburgh, Pa.	Lorain, O.
Gary, Ind.	

PLATES

Pittsburgh, Pa.	Coatesville, Pa.
Chicago, Ill.	Sparrows Point, Md.
Gary, Ind.	Gulf Ports
Birmingham, Ala.	Pacific Coast Ports

POSTS—FENCE AND SIGN

Pittsburgh, Pa.	Birmingham, Ala.
Chicago, Ill.	Gulf Ports
Cleveland, O.	Pacific Coast Ports
Duluth, Minn.	

RAILROAD TIE PLATES

Pittsburgh, Pa.	Minnequa, Colo.
Buffalo, N.Y.	Weirton, W.Va.
Chicago, Ill.	Portsmouth, O.
Birmingham, Ala.	Steelton, Pa.
St. Louis, Mo.	Pacific Coast Ports
Kansas City, Mo.	

RAILROAD TRACK SPIKES

Pittsburgh, Pa.	St. Louis, Mo.
Buffalo, N.Y.	Kansas City, Mo.
Cleveland, O.	Minnequa, Colo.
Chicago, Ill.	Lebanon, Pa.
Birmingham, Ala.	Columbia, Pa.
Youngstown, O.	Richmond, Va.
Portsmouth, O.	Jersey City, N.J.
Weirton, W.Va.	Pacific Coast Ports

SHEET BARS

Pittsburgh, Pa.	Youngstown, O.
Buffalo, N.Y.	Canton, O.
Cleveland, O.	Sparrows Point, Md.
Chicago, Ill.	

SHEETS

Pittsburgh, Pa.	Birmingham, Ala.
Gary, Ind.	Pacific Coast Ports

SKELP

Pittsburgh, Pa.	Youngstown, O.
Buffalo, N.Y.	Coatesville, Pa.
Chicago, Ill.	Sparrows Point, Md.

STEEL SHEET PILING

Pittsburgh, Pa.	Gulf Ports
Buffalo, N.Y.	Pacific Coast Ports
Chicago, Ill.	

STRIP STEEL—COLD-ROLLED

Pittsburgh, Pa.	Worcester, Mass.
Cleveland, O.	

STRIP STEEL—HOT-ROLLED

Pittsburgh, Pa.	Birmingham, Ala.
Chicago, Ill.	

STRUCTURAL SHAPES

Pittsburgh, Pa.	Bethlehem, Pa.
Buffalo, N.Y.	Gulf Ports
Chicago, Ill.	Pacific Coast Ports
Birmingham, Ala. (standard shapes only)	

TIN PLATE, TIN MILI, BLACK PLATE AND TERNE PLATE

Pittsburgh, Pa.	Pacific Coast Ports
Gary, Ind.	

TUBES—BOILER

Pittsburgh, Pa.

TUBE ROUNDS

Pittsburgh, Pa.	Chicago, Ill.
Buffalo, N.Y.	Birmingham, Ala.
Cleveland, O.	

WHEELS—CAR, ROLLED STEEL

Pittsburgh, Pa.	Chicago, Ill.
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WIRE—DRAWN, EXCEPT AS HEREINAFTER SPECIFIED

Pittsburgh, Pa.	Gulf Ports (Merchant Wire only) :
Cleveland, O.	Mobile, Ala.
Chicago, Ill.	New Orleans, La.
Birmingham, Ala.	Lake Charles, La.
Anderson, Ind. (Merchant Wire only)	Galveston, Tex.
Duluth, Minn.	Houston, Tex.
Worcester, Mass.	Corpus Christi, Tex.
Glassport, Pa. (Hot Copper-covered Steel only)	Pacific Coast Ports

WIRE HOOPS—TWISTED OR WELDED

Pittsburgh, Pa.	Chicago, Ill.
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WIRE NAILS AND STAPLES, TWISTED BARBLESS WIRE, BARBED WIRE, TWISTED WIRE FENCE STAYS AND WIRE FENCING (EXCEPT CHAIN-LINK FENCING)

Pittsburgh, Pa.	Anderson, Ind.
Cleveland, O.	Duluth, Minn.
Chicago, Ill.	Gulf Ports
Birmingham, Ala.	Pacific Coast Ports

WIRE RODS

Pittsburgh, Pa.
Cleveland, O.
Chicago, Ill.
Birmingham, Ala.
Youngstown, O.
Worcester, Mass.

Anderson, Ind.
Gulf Port:
Galveston, Tex.
Pacific Coast Port:
San Francisco, Cal.

WIRE—SPRINGS

Pittsburgh, Pa.
Cleveland, O.
Chicago, Ill.

Worcester, Mass.
Pacific Coast Ports

WIRE—TELEPHONE

Pittsburgh, Pa.
Cleveland, O.
Waukegan, Ill.
Muncie, Ind.

Trenton, N.J.
Worcester, Mass.
Sparrows Point, Md.

SCHEDULE G

MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT AND MAXIMUM PERIODS OF FREE CREDIT

MAXIMUM RATES OF DISCOUNT FOR EARLY PAYMENT

SECTION 1. Except as in this Schedule G otherwise provided, in the case of products shipped by water from the plant of a member of the Code from or through any Atlantic Coast or Gulf port to any Pacific Coast port, or through a Pacific Coast port to a place of delivery in the State of California or the State of Oregon or the State of Washington, or to a place of delivery in the Canal Zone or to an Alaskan port, the maximum rates of discount for early payment shall be $\frac{1}{2}$ of 1% of the invoiced value of such products, if the invoice of such products shall be paid within 30 days from the date of such invoice; in all other cases, except as hereinafter provided, $\frac{1}{2}$ of 1% of such invoiced value, if the invoice of such products shall be paid within 10 days from the date of such invoice; *provided, however*, in the latter cases that any member of the Code may allow such discount of $\frac{1}{2}$ of 1% for payment within 10 days on the basis of settlements twice in each month, as follows:

(a) On invoices for products dated from the 1st to the 15th, inclusive, of any month, such discount may be allowed on payment of such invoices on or before the 25th of such month;

(b) On invoices for products dated from the 16th to the end of any month, such discount may be allowed on payment of such invoices on or before the 10th of the next following month.

In the case of products shipped by water as specified in this Section 1 similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, the maximum rate of discount for early payment shall be $\frac{1}{2}$ of 1% of the invoiced value of such products, if the invoice thereof shall be paid within 40 days from the date of such invoice.

SECTION 2. In the case of Pipe, Boiler Tubes and Mechanical Tubing (hereinafter in this Schedule G referred to as Pipe) sold to purchasers other than jobbers, the maximum rate of discount for early payment shall be 2% of the invoiced value of such Pipe, if the invoice thereof shall be paid within 10 days from the date of such invoice; *provided, however*, that any member of the Code may allow such discount of 2% for payment within 10 days on the basis of settlement twice in each month as hereinbefore provided. In the case of Pipe sold to jobbers, the maximum rate of discount for early payment shall be 2% of the invoiced value of such Pipe, if the invoice thereof shall be paid on or before the 15th day of the month following the date thereof; *provided, however*, that during such period as the consignment of stocks of Pipe shall be continued under the Code, in the case of Pipe sold to jobbers who have been accustomed to purchase such Pipe outright under arrangements by which payment of any invoice of such Pipe is made by a non-interest bearing trade acceptance due in not more than 120 days from the date of the shipment of such Pipe, a discount of 2% of the invoiced value of such Pipe may be allowed on the payment of such trade acceptance.

SECTION 3. Except as in this Section 3 otherwise provided, in the case of Merchant Wire products and Fence and Sign Posts, the maximum rate of discount for early payments shall be 2% of the invoiced value thereof, if the invoice of such products shall be paid within 10 days from the date of such invoice; *provided, however*, that any member of the Code may allow such discount of 2% for payment within 10 days on the basis of settlements twice in each month as provided in Section 1 of this Schedule G; and *provided, further*, that, in the case of such products shipped by water as specified in Section 1 of this Schedule G, any member of the Code may allow such discount of 2%, if the invoice of such products shall be paid within 30 days from the

date of such invoice, or, in the case of any such products so shipped similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, if the invoice thereof shall be paid within 40 days from the date of such invoice. In the case of Woven Wire Fencing in lots of 500 rods or more and of Fence and Sign Posts in lots of 500 posts or more which shall be sold to purchasers for resale, the maximum rates of discount for early payment shall be as follows:

SPRING TERMS

For shipments on and after December 1st and on or before the following April 1st:

4% discount for cash on or before the following January 10th;
 3½% discount for cash on or before the following February 10th;
 3% discount for cash on or before the following March 10th;
 2½% discount for cash on or before the following April 10th; and
 2% discount for cash on or before the following May 10th.

For shipments after April 1st and on or before May 31st:

2% discount, if the invoice shall be paid within 10 days from the date of such invoice.

AUTUMN TERMS

For shipments on and after June 1st and on or before the following October 1st:

4% discount for cash on or before the following July 10th;
 3½% discount for cash on or before the following August 10th;
 3% discount for cash on or before the following September 10th;
 2½% discount for cash on or before the following October 10th; and
 2% discount for cash on or before the following November 10th.

For shipments after October 1st and on or before November 30th:

2% discount, if the invoice shall be paid within 10 days from the date of such invoice.

SECTION 4. Any discount allowed in accordance with the foregoing provisions of this Schedule G in respect of any product shall apply only to the invoiced value of such product after excluding any and all amounts added on account of freight or other transportation charges to the base price for such product in determining the delivered price thereof.

MAXIMUM PERIODS OF FREE CREDIT

SECTION 5. Except as hereinafter in this Schedule G otherwise provided, in the case of products shipped by water from the plant of any member of the Code from or through any Atlantic Coast or Gulf port to any Pacific Coast port, or through a Pacific Coast port to a place of delivery in the State of California or the State of Oregon or the State of Washington, or to a place of delivery in the Canal Zone or to an Alaskan port, the maximum period of free credit shall be 50 days from the date of the invoice of such products; in all other cases, except as hereinafter provided, 30 days from the date of such invoice; *provided, however,* in the latter cases, that any member of the Code which shall make and invoice a series of shipments of products to any purchaser during any calendar month may allow payment without interest of the invoices of such products on or before the 20th of the next following month. In the case of products shipped by water as specified in this Section 5 similar to products produced at Pacific Coast plants and sold for delivery at any place in the States of California, Oregon and Washington, the maximum period of free credit shall be 60 days from the date of the invoice of such products.

SECTION 6. In the case of Pipe sold to jobbers, the maximum period of free credit shall be 60 days from the date of the invoice of such Pipe; *provided, however,* that in the case of Pipe sold to a jobber who has been accustomed to purchase such Pipe outright under arrangements with any member of the Code by which a line of credit or ledger debit balance is allowed by such member to such jobber in specified amounts, without interest, if the invoiced value of the Pipe purchased in excess of the amount of the credit or ledger debit balance allowed in each case shall be paid on regular terms for such Pipe, then such

member of the Code may continue such arrangements during such period as the consignment of stocks of Pipe shall be continued under the Code.

SECTION 7. Except as in this Section 7 otherwise provided, in the case of Merchant Wire products and Fence and Sign Posts, the maximum period of free credit shall be 60 days from the date of the invoice thereof. In the case of Woven Wire Fencing in lots of 500 rods or more and of Fence and Sign Posts in lots of 500 posts or more which shall be sold to purchasers for resale, on shipments made on and after December 1st and on or before the following April 1st the maximum period of free credit shall end on the following May 31st; on shipments made after April 1st and on or before the following May 31st the maximum period of free credit shall end 60 days after the date of the invoice of such products; on shipments made on and after June 1st and on or before the following October 1st the maximum period of free credit shall end on the following November 30th; and on shipments made after October 1st and on or before the following November 30th the maximum period of free credit shall end 60 days after the date of the invoice of such products.

SECTION 8. For all purposes of this Schedule G a member of the Code may treat the date of the mailing of any check or other order for the payment of money sent by mail in payment of any invoice of products sold by such member as the date of such payment.

SECTION 9. Nothing in this Schedule G contained, however, shall be deemed to apply to any sale or contract for the sale of any product to the Government of the United States of America or to any agency thereof in any case in which such Government or agency shall pursuant to law impose terms of payment other than those prescribed in this Schedule G; *provided, however,* that in any such case none of the members of the Code shall allow to such Government or any agency thereof terms of payment more favorable than those which shall be prescribed by such Government or agency pursuant to law.

SCHEDULE H

LIST OF UNFAIR PRACTICES

For all purposes of the Code the following described acts shall constitute unfair practices:

A. Making or promising to any purchaser or prospective purchaser of any product, or to any officer, employee, agent or representative of any such purchaser or prospective purchaser, any bribe, gratuity, gift or other payment or remuneration, directly or indirectly.

B. Procuring, otherwise than with the consent of any member of the Code, any information concerning the business of such member which is properly regarded by it as a trade secret or confidential within its organization, other than information relating to a violation of any provision of the Code.

C. Imitating or simulating any design, style, mark or brand used by any other member of the Code.

D. Using or substituting any material superior in quality to that specified by the purchaser of any product or using or substituting any material or any method of manufacture not in accord with any applicable law, rule or regulation of any governmental authority.

E. Cancelling in whole or in part, or permitting the cancellation in whole or in part of, any contract of sale of any product, except for a fair consideration, or paying or allowing to any purchaser in connection with the sale of any product any rebate, commission, credit, discount, adjustment or similar concession other than as is permitted by the Code and specified in the contract of sale.

F. Disseminating, publishing or circulating any false or misleading information relative to any product or price for any product of any member of the Code, or the credit standing or ability of any member thereof to perform any work or manufacture or produce any product, or to the conditions of employment among the employees of any member thereof.

G. Inducing or attempting to induce by any means any party to a contract with a member of the Code to violate such contract.

H. Aiding or abetting any person, firm, association or corporation in any unfair practice.

I. Making or giving to any purchaser of any product any guaranty or protection in any form against decline in the market price of such product.

J. Stating in the invoice of any product as the date thereof a date later than the date of the shipment of such product, or including in any invoice any product shipped on a date earlier than the date of such invoice.

K. Making any sale or contract of sale of any product under any description which does not fully describe such product in terms customarily used in the Industry.

L. Rendering to any purchaser of any product in or in connection with the sale of such product any service, unless fair compensation for such service shall be paid by such purchaser.

M. Agreeing or promising, as a condition of, or in consideration for, receiving an order for any product or the making of the purchase of any product or receiving other advantage, to file a new list of base prices in which a new base price for such product or new base prices for any other products shall be shown.

N. Selling as scrap any product for any use other than for remelting purposes or which may reasonably be considered as having a value other than for remelting purposes.

O. Using coercion or coercive means to induce a member of the Code to withdraw or change a base price for any product at any basing point.

P. Any violation of any other provision of the Code, whether or not therein expressed to be such, or using or employing any practice not hereinabove in this Schedule H described which the Board of Directors by the affirmative vote of three-fourths of the whole Board shall have declared to be a practice that would tend to defeat the policy of Title I of the National Industrial Recovery Act and, therefore, an unfair practice, and of which determination by such Board the Secretary shall have given notice to the members of the Code and to the President.



Approved Code No. 11—Amendment No. 1

Registry No. 1116-02

ERRATA SHEET

AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

IRON AND STEEL INDUSTRY

As Approved on May 30, 1934

Page two (2) executive order, tenth line, the word "actual" should be "natural."

Page six (6) letter to the President, last line, "8,000,000,000" should be "8,000,000."

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